

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the  
License to Operate Gambling Activities of:

Washing J. Chen  
Kent, Washington,

Licensee.

) NO. CR 2012-01635

) **AMENDED**

) **NOTICE OF ADMINISTRATIVE  
CHARGES AND OPPORTUNITY FOR  
AN ADJUDICATIVE PROCEEDING**

) *(Amendments appear in italics  
and strikeouts)*

I.

The Washington State Gambling Commission issued Washing J. Chen the following license: Number 68-04232, authorizing Card Room Employee activity with Roman Casino in Seattle. The license expires on February 15, 2013, and was issued subject to Mr. Chen's compliance with state gambling laws and rules.

II.

*David Trujillo* ~~Rick Day~~, Director of the Washington State Gambling Commission, charges the licensee with the following violations of Chapter 9.46 RCW, and WAC Title 230.

**SUMMARY:**

Washing J. Chen was arrested and indicted on federal charges for conspiracy to manufacture at least 1,000 marijuana plants. ~~The case is still pending final resolution.~~ *On July 10, 2013, Mr. Chen pleaded guilty.*

**FACTS:**

1) On October 24, 2012, a Washington State Gambling Commission Special Agent (agent) received a tip that Mr. Chen had been arrested and indicted on federal charges. An agent obtained copies of the Criminal Complaint, the Indictment, and an Amended Stipulation and Order Continuing Status Conference.

2) An agent was assigned to Mr. Chen's case to investigate whether Mr. Chen continued to qualify for licensure. The investigation began with reviewing the Criminal Complaint that was filed September 24, 2010. This document indicated there was probable cause to believe Mr. Chen and five other individuals were guilty of the crimes of "Conspire to Manufacture and Manufacture More Than 1,000 Marijuana Plants" and "Knowingly Maintaining a Place Used for the Manufacture of Marijuana." The Complaint specifically indicated that Drug Enforcement Agency (DEA) agents executed a search warrant at 8773 Fressia Drive, Elk Grove, California on

September 23, 2010. During the search of this residence, agents seized 461 marijuana plants and equipment used to grow marijuana, such as electrical ballasts, high power fans, and industrial air filters. Mr. Chen was arrested and transported to the Sacramento County Jail. DEA agents also searched two other residences during the operation where 412 marijuana plants were seized in one location and 650 marijuana plants were seized in the other location.

3) The agent reviewed the Indictment that shows the grand jury charged Mr. Chen and five other individuals with Conspiracy to Manufacture at Least 1,000 Marijuana Plants between at least August 31, 2010 and September 23, 2010, in violation of Title 21, United States Code, Sections 846 and 841(a)(1).

4) The agent reviewed the Amended Stipulation and Order Continuing Status Conference and saw the conference was continued until October 31, 2012. The agent reviewed the document and saw that the plea agreements were being drafted and a further Status Conference was set for December 12, 2012.

5) On December 18, 2012, the agent checked the update from the Status Conference, and found that it was rescheduled for February 13, 2013.

6) Mr. Chen submitted an on-line renewal application on January 13, 2011, where he disclosed the Manufacturing of Marijuana charge out of California. His application was processed; however, it was not forwarded to the Commission's Criminal History Investigations unit for further review and the license was inadvertently renewed in 2011 and 2012.

7) *On July 10, 2013, Mr. Chen pleaded guilty to one count of Manufacturing at Least 100 Marijuana Plants.*

## **VIOLATIONS:**

1) **RCW 9.46.075(1)** provides the Commission may revoke any license for any reason or reasons, it deems to be in the public interest.

2) **RCW 9.46.075(8)** provides the Commission may revoke any license when a licensee fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

3) ~~**RCW 9.46.075(9)** provides the Commission may revoke any license when the licensee is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4) of this section:<sup>1</sup> PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal.~~

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<sup>1</sup> ~~RCW 9.46.075(4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.~~

3) **RCW 9.46.075(4)** provides the Commission may revoke any license when the licensee has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude;

4) **WAC 230-03-085(1)** provides that the Commission may revoke any license when a licensee commits any act that constitutes grounds under RCW 9.46.075 for revoking a license, or commits any other act that the commission determines constitutes a sufficient reason in the public interest for revoking a license.

5) **WAC 230-03-085(8)** provides that the Commission may revoke any and all licenses or permits of any holder, when the holder poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

6) **RCW 9.46.153 (1)** provides that it shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

Washing J. Chen has pending federal charges for manufacturing marijuana and has failed to establish by clear and convincing evidence, as required by RCW 9.46.153(1), that he is qualified to be licensed. This pending charge establishes that the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities. As a result, there are grounds to revoke Washing J. Chen's license based on RCW 9.46.075(1), (4), and (8), ~~and (9)~~, and WAC 230-03-085(1) and (8).

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III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

*David Trujillo Riek-Day*, being first duly sworn on oath, deposes and says: He has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents, and believes the same to be true, and that he is the duly appointed and qualified Director of the Washington State Gambling Commission and in that capacity has executed these Charges.

*David Trujillo*  
DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 15 day of November, 2013.

*Maureen Pretell*  
NOTARY PUBLIC in and for the State of

Washington residing at Thurston County  
My Commission expires on December 2, 2015



STATE OF WASHINGTON )  
 )  
COUNTY OF THURSTON )

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, property addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 18 day of November, 2013  
*Maureen Pretell*